



State Revolving Fund Loan Programs

FACT SHEET

Brownfield Remediation Nonpoint Source Projects

July 2010

The Indiana Finance Authority (IFA) Environmental Programs, which consist of the State Revolving Fund (SRF) Loan Programs and the Indiana Brownfields Program, work in partnership with the U.S. Environmental Protection Agency (U.S. EPA) to offer financial assistance to eligible borrowers for activities that protect both public health and the environment and can facilitate economic redevelopment. In some cases, SRF funding is available to fund brownfield cleanup activities that abate or prevent nonpoint source pollution of Indiana's waters as a nonpoint source water pollution control project under the Section 319 of the Clean Water Act. If available, this funding can be a valuable financial resource for a community when conventional brownfield funding alone cannot completely fund site cleanup.

What is nonpoint source (NPS) water pollution?

Nonpoint source water pollution results when rainfall, snowmelt or irrigation moves over land or through the ground, picks up pollutants, and deposits them into surface waters or introduces them into groundwater. NPS water pollution may cause adverse changes to vegetation, hydrology or aquatic communities. It can contaminate private and public water wells.

What are brownfields?

- Brownfields are parcels of real estate that are abandoned, inactive, or may not be operated at their appropriate use, and redevelopment is complicated due to actual or potential environmental contamination. Brownfields can range in size from large factories to small gas stations.
- Brownfield contamination may be considered a nonpoint source of surface or groundwater pollution.

What type of assistance is available from the SRF Loan Programs?

- Low-interest loans to political subdivisions (including incorporated cities, towns, counties and regional water, sewer, waste, sanitary and conservancy districts) for projects that improve wastewater and drinking water infrastructure and/or address NPS contamination.
- Low-interest loans to private and nonprofit facilities for projects that improve drinking water infrastructure.
- Integrating a NPS project with a wastewater infrastructure project lowers the interest rate for a loan by up to 0.5 percent, making available additional funds that can be applied to qualified NPS activities. (Drinking water loans cannot fund NPS projects). A wastewater loan can also be obtained solely for a NPS project.

What are the SRF loan terms?

- An SRF loan is a fixed rate, 20-year term loan.
- Interest rates reset quarterly and are at or below 90% of the average 20-year AAA-rated, general obligation bond Municipal Market Data. Rates can be further discounted based on the applicant's median household income (from current census data) and local user rates.

What types of brownfield projects are eligible for SRF NPS funding?

- Projects that are publicly or privately owned with a public or private use.
- Projects with an existing, quantified pollution abatement need.
- Projects that have a direct water quality benefit.
- Portions of a project that remediate, mitigate the impacts of, or prevent water pollution.
- Projects to clean up sites contaminated with hazardous substances and/or petroleum contamination that impact surface or ground water quality, such as:
 - ❖ Excavation, removal and disposal of soil or sediments
 - ❖ Excavation and disposal of underground storage tanks
 - ❖ Capping of wells or soil or landfills
 - ❖ Monitoring of groundwater or surface water for contaminants
 - ❖ Groundwater remediation
 - ❖ Demolition, if necessary to get to contaminant source
 - ❖ Water quality-related landfill closure activities at non-discharging municipal landfills without leachate collection systems (public and privately owned landfills)
 - ❖ Remediation Work Plan development

What are some NPS project funding limitations?

- Projects that do not address a known water quality impact to surface or groundwater.
- Projects/activities tied to a draft or final National Pollution Discharge Elimination System (NPDES) permit.
- Groundwater monitoring activities more than three years into remedy implementation.
- Phase I environmental site assessments.
- Phase II environmental site assessments (unless limited investigation to complete delineation prior to Remediation Work Plan development or confirmation sampling as a part of cleanup activities).

What threshold criteria must be satisfied to seek funding for an NPS project?

- Demonstrated surface and/or groundwater impacts with data from a completed Phase II investigation.
- An open SRF loan and/or a pending SRF loan application (preferably early in the pre-closing process).
- A draft or final Remediation Work Plan (as a substitute for the SRF-required Preliminary Engineering Report).
- An applicant seeking NPS project funding will also need to submit a brownfields Revolving Loan Fund (RLF) Incentive application and supporting documentation.

Where can a community get more information about SRF loans and request funding for NPS projects?

For more information about the SRF borrowing process (applications are accepted on a rolling basis), please contact the SRF Program at (317) 234-1279 and/or visit IFA's Web page at www.srf.in.gov. SRF loan applications are evaluated, scored, and placed on SRF's project priority list (PPL) for funding if approved. To discuss incorporating an NPS project into your SRF loan, please contact Amy Henninger at (317) 232-6566 or ahenning@ifa.in.gov.

Where can I get more information about the brownfields RLF Incentive?

For more information about an RLF loan from the Indiana Brownfields Program, please contact Michele Oertel at (317) 234-0235 or moertel@ifa.in.gov and/or visit IFA's Web page at www.brownfields.in.gov. To discuss whether your brownfield project meets the criteria for an SRF NPS project, please contact Sara Westrick Corbin at (317) 234-1688 or swestrick@ifa.in.gov.